

IV. Directorate-Wide Considerations

A. Personal Services

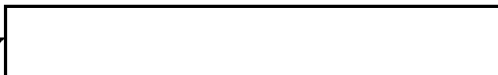
A persistently pacing item of cost increase has been Federal pay. The average ^{GS} salary in the Directorate ~~has~~ soared from \$9,623 in June 1967 to \$16,520 in June 1974 and increased another 5.3 percent in October 1974. Despite the rapid increase, the share of pay in the Directorate's budget has remained steady -- at 54 percent -- throughout the period. This has been made possible by strenuous efforts to increase productivity and to reduce personnel. The measure of this effort has been the reduction of [] since June 1967. In addition, deep cuts have been made in the number of support personnel stationed overseas and charged against the ceilings of other Directorates.

In accomplishing these personnel reductions, which go beyond the savings from increased productivity, some programs and services have suffered. The Offices have expressed concern that further deep personnel cuts would hinder fulfillment of their responsibilities. To the extent that all are actively stimulating productivity

improvements, additional cuts could be accomplished without harm to programs if they are linked to productivity planning. From a management viewpoint, however, it is necessary to assure that productivity-oriented management is not penalized for its very success.


One matter that requires attention is the upward creep in average incumbency grade in the Directorate, which has increased from 9.035 in June 1967 to 9.764 in June 1974.

This increase adds nearly



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Another way of illustrating this grade creep is to examine the grade structure:

	June 1967	June 1974
GS 14-18		
GS 9-13		
GS 3-8		
Total GS		

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This comparison shows an actual increase in the total number above GS-08 in the face of deep reductions in staff employment, which therefore impacted entirely on the number in the lowest grades. Recently, the President, expressing concern about controlling pay costs, has urged that every effort be made to control grade creep. One way of doing this is to ensure that reductions are distributed to higher grades as well as to lower.